# Federal Power Subscription

## Rights to Follow-On Contract

## Alternatives

**Alternative 1: (Status Quo)** Subscription power contracts do not address price of future power purchases or related fees.

**Alternative 2: (Lowest cost-based, no fee)**  Any regional customer purchasing firm power from BPA at a cost-based rate pursuant to a commercial or an umbrella contract will have a provision in its contract granting it the option for a follow-on contract to purchase a like amount of power at the applicable lowest cost-based rate.  Such option will be available to the customer for as long as the customer continuously purchases power from BPA.  The "lowest cost-based rate" will be determined through BPA's rate process.   This option is in addition to any other right the customer may have to purchase from BPA and it shall not be interpreted to extinguish any rights created by law.

**Alternative 3: (Lowest cost-based, with fee)**  Same as alternative 2 plus a requirement that a payment be made for this right that is negotiated by BPA and the customer.

**Alternative 4: (Contractual defined mechanism, with negotiated fee)**  Any regional customer purchasing firm power from BPA pursuant to a commercial  or an umbrella contract for a negotiated period of time will be offered the option of including a provision in the contract which will secure the rate at which power may be purchased from BPA in the future.

BPA and any regional firm power customer wishing such a provision will bilaterally negotiate the following:
   A. The mechanism used to contractually determine the price at which power can be purchased from BPA in the future.
   B. The duration of the price protection, and the quantity of power to which it applies; and
   C. The price to be paid to BPA for including such a provision in the contract.

Customers have the right not to include such a contractual price protection in their BPA power contract.   This contractual provision could include an obligation to purchase as agreed to by both parties.